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2 May 1958

EIC/S BRIEF ON SUBCOMMITTEE ON PETROLEUM

REFERENCES: General Concept and Functions of EIC Subcommittees, EIC-D-123/2, 20 December 1955  
SC Terms of Reference, approved 25 October 1951  
SC Annual Report for FY 1956, see EIC-D-187, 19 October 1956  
SC Annual Report for FY 1957, see EIC-D-249, 18 September 1957  
Recapitulation of EIC Subcommittee Activities, FY 1955, FY 1956, and First Half FY 1957 (Chart)

1. This SC has been consistently active over the past several years with a well planned and coordinated program. During FY 1956, 6 meetings were held; during FY 1957, 5 meetings; and so far during FY 1958, 8 meetings. The principal activities during the past 21 months have included the preparation of a contribution on "Trends in Middle East Oil" to NIE 30-2-57: Near East Developments Affecting US Interests and coordination of the petroleum section of the final NIE draft report; review of and reappraisal of the approved survey of priority research deficiencies;

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and agreement of basic statistics covering selected elements of the petroleum economy for each country of the Sino-Soviet Bloc for 1955 and 1956. The SC prepared and published as a working paper Military Consumption of Petroleum Products, Sino-Soviet Bloc, 1956-57 (EIC-PSC-WP-2) updating the estimates for 1950-55 published in EIC-PSC-WP-1.

2. Other SC activities include:

a. Review of Substantive Papers. A particularly effective part of this SC's operation has been the review and coordination of substantive papers. During the past 21 months, 2 substantive papers were formally reviewed and 5 were informally reviewed and coordinated. A progress report on Regional Civil Consumption of Petroleum in the USSR was formally discussed, summarizing some of the problems encountered in the preparation of this project undertaken by CIA/CRD in an attempt to fill an identified priority gap in intelligence.

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b. Review of External Research. A CIA-sponsored external research project on Establishing Economic Criteria for Adoption of Nuclear Power Plants, in which petroleum was involved as a matter of secondary importance, was referred to this SC for review in consultation with the SC on Electric Power and Solid Fuels.

c. SC-Sponsored Research Projects. By agreement with the SC on Chemicals, helium was agreed to be the responsibility of the Petroleum SC. Since considerable community interest has been evidenced in the helium industry of the USSR, the SC agreed that a summary report should be prepared. CIA is now preparing a report on the production and availability of helium, and Air Force has been requested to obtain data on the US requirements for helium in guided missiles. The SC will coordinate this information. It is planned, however, to issue this report as a CIA/CR report rather than as a SC paper.

d. Problems of Mutual Interest. As an integral part of each SC meeting, there has been discussion of problems and information of mutual interest, such as current research programs, work being done by private companies or non-US government agencies, and a general interchange of ideas and information in the field of petroleum. This has contributed materially to the general rapport of this SC.

3. The SC evaluates its work as follows:

"The Subcommittee (has) continued to make progress in its role as a vehicle for improving economic intelligence research. The PSC continues to serve as a convenient and useful medium for inter-agency coordination."\*

4. Future program of the SC:

"The Subcommittee plans to continue: a program of bi-monthly meetings, reviews of substantive papers, development of agreed basic statistics, reporting of research and collection deficiencies, and special projects in accordance with the General Concept and Functions of EIC Subcommittees."\*

\* From SC Annual Report to the EIC, FY 1957.

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